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April 30, 2024

House Committee on Health Care
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Re: Oppose Senate-Passed Version of H.766 and New Prior Auth Amendment

Dear Representative:

MVP Health Care ("MVP") opposes H.766 as amended and approved by the Senate on April 26. The House-passed and Senate-passed versions of the bill will significantly increase Vermonters' health care costs and will further deteriorate state-regulated commercial health insurance markets in favor of self-funded health plans, which are exempt from these requirements. If the bill is enacted as is, Vermonters will pay significantly more for their health care, coverage options will continue to erode, and access issues will worsen. To our knowledge, no other state has taken such extreme positions on these issues. Our concerns are not hyperbole, and we cannot emphasize them enough on our roughly 27,000 Vermont members' behalf. MVP can support every other element of the bill except Section 2(b) (claims edits) and Section 3 (prior authorization).

New Section 3 on Prior Authorization is Flawed and Costly

The Senate-approved version of H.766 struck a proposal to require commercial alignment with Vermont Medicaid prior authorization standards. In its place, it approved a requirement that—with the exception of out-of-network services and prescription drugs—any admission, item, service, treatment, or procedure ordered by a primary care provider is exempt from prior authorization. While a different approach than the House-passed bill, the result remains the same. MVP had previously estimated that the House-passed version of H.766 would raise premiums by at least three (3) percent, but likely more. This increase would be on top of year-over-year spikes in health care costs, which have historically averaged at least ten percent (10%). We anticipate that the costs of this change won't be materially less than our estimates on the House-passed bill, and could even be more expensive.

New Section 3 is Much Broader than Primary Care Services

In general, most primary care services are not subject to prior authorization requirements. As written, however, most services ordered by a primary care provider would now be exempt from prior authorization—including those ultimately provided in other settings such as hospitals and facilities. The most common effected services will be high-tech imaging like MRIs, genetic testing, and durable medical equipment (DME). Blue Cross Blue Shield has shared compelling evidence about the savings commercial members accrue through prior authorization of imaging requests. Because a majority of those requests are ordered by primary care providers, the Senate-passed amendment will still result in a significant spike in costs from the loss of these savings.

Why Prior Authorization is Important, Especially for Our Primary Care Workforce

Further, prior authorization standards exist to help drive the use of health care services consistent with the practice recommendations of national physician and other clinical experts and associations. Primary care providers are the backbone of our health care system, playing the most pivotal role in keeping Vermonters healthy and out of the hospital and emergency room. With limited time and resources though, the primary care workforce is the least able to stay on top of rapidly evolving practice and clinical standards. To that end, prior authorization serves an important purpose in helping to align care delivery with the latest medical guidance.

Why Doesn't This Apply to Medicaid?

A common argument for H.766 has been to align requirements among different payers to reduce provider burdens. In that spirit, it's striking that the Senate-amendment would only apply to commercial health insurance and not to the State's Medicaid program. In our view, if the Legislature's intent is to impose these requirements on Vermont ratepayers at a significant cost, they should also be willing to fund the same change through the Medicaid program.

Get this Right: Strike Sec. 2(b) (Claims Edits) and Sec. 3 (Prior Auth) and Fully Study the Cost

Any suggestion that this bill won't increase premiums is false. While we can debate the details and amounts, there is no scenario where this costs less or some di minimis amount. Vermont families and small business are struggling to afford the high cost of health care, and H.766 will only compound these problems. We urge the Legislature to fully understand the costs of these two sections before asking Vermonters to pay significantly more without any corresponding return value.

Thank You

We appreciate your time and attention to this important matter. Given the significant costs our members will bear as a result of this bill, we hope that you find this information helpful and informative as you consider your vote.

Sincerely,



Jordan T. Estey
Senior Director, Government Affairs
MVP Health Care